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News Release

national machine tool builders

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MACHINE TOOL ORDERS DROP IN 1986

Machine tool orders fell from a total of $2,528.10 million in 1985 to a total of $2,124.80 million in 1986, a 16.0% drop. Metal cutting machine tool orders fell 16.7% for the year while metal forming equipment orders fell 13.9%. At $136.05 million, total orders for December 1986 were 22.3% below the $175.05 million posted in December 1985, reflecting a 25.6% drop in metal cutting orders and a 15.7% drop in metal forming orders.

In 1986 machine tool shipments rose 1.3% to $2,579.20 million, compared to $2,545.20 million for 1985. This figure represents an 8.5% rise in metal cutting machine tool shipments and a 14.3% drop in metal forming machine tool shipments. December 1986 shipments of $271.95 million reflect a 27.4% drop from the $374.35 million for December 1985. Comparing December 1986 to December 1985, shipments of both metal cutting and metal forming equipment dropped with losses of 25.1% and 35.0% respectively.

James A. Gray, NMTBA president, noted that he had warned a year ago that the tax reform bill then being proposed by the Administration would cause "severe distortion to capital spending through unrealistic depreciation schedules and repeal of the Investment Tax Credit."

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He went on to say, "Unfortunately, we are already beginning to see the harmful effects of this short-sighted tax bill. The manufacturing industries waited and worried through 1986, only to see their worst fears realized with passage of a tax reform bill that discourages investment. We hope that, as the negative results of eliminating investment incentives become more clear, the need to reinstate tax provisions that encourage growth will also become more clear."

Comparing December 1986 to November 1986, metal cutting machine tool orders rose 3.3% and metal forming machine tool orders rose 1.3%. The same month-to-month comparison shows an 84.7% rise in shipments of metal cutting machine tools and a 12.5% rise in shipments of metal forming machine tools. The sharp rise in shipments for December is normal as manufacturers clear out their inventories at the end of the year.

Machine tool order backlogs for December fell to $1,203.15 million, down from November's figure of $1,339.05 million.

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COMPARISON CHART

NET NEW ORDERS -- MACHINE TOOLS
(Millions of Dollars)

	METAL CUTTING			METAL FORMING			TOTAL Cutting and Forming		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
DEC 1986	71.85	14.90	86.75	37.05	12.25	49.30	108.90	27.15	136.05
NOV 1986	75.85	8.10	83.95	42.30	6.35	48.65	118.15	14.45	132.60
% CHANGE									
DEC 1986:NOV 1986	-5.3	+84.0	+3.3	-12.4	+92.9	+1.3	-7.8	+87.9	+2.6
DEC 1985	110.05	6.55	116.60	53.20	5.25	58.45	163.25	11.80	175.05
% CHANGE									
DEC 1986:DEC 1985	-34.7	+127.5	-25.6	-30.4	+133.3	-15.7	-33.3	+130.1	-22.3
YEAR TO DATE 1986	1,374.35	169.40	1,543.75	506.80	74.25	581.05	1,881.15	243.65	2,124.80
YEAR TO DATE 1985	1,652.15	200.95	1,853.10	610.00	65.00	675.00	2,262.15	265.95	2,528.10
% CHANGE									
1986 : 1985	-16.8	-15.7	-16.7	-16.9	+14.2	-13.9	-16.8	-8.4	-16.0

SHIPMENTS -- MACHINE TOOLS
(Millions of Dollars)

	METAL CUTTING			METAL FORMING			TOTAL Cutting and Forming		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
DEC 1986	190.55	25.15	215.70	43.20	13.05	56.25	233.75	38.20	271.95
NOV 1986	104.40	12.40	116.80	44.70	5.30	50.00	149.10	17.70	166.80
% CHANGE									
DEC 1986:NOV 1986	+82.5	+102.8	+84.7	-3.4	+146.2	+12.5	+56.8	+115.8	+63.0
DEC 1985	223.55	64.30	287.85	82.50	4.00	86.50	306.05	68.30	374.35
% CHANGE									
DEC 1986:DEC 1985	-14.8	-60.9	-25.1	-47.6	+226.2	-35.0	-23.6	-44.1	-27.4
YEAR TO DATE 1986	1,686.15	204.85	1,891.00	621.35	66.85	688.20	2,307.50	271.70	2,579.20
YEAR TO DATE 1985	1,548.50	193.75	1,742.25	742.95	60.00	802.95	2,291.45	253.75	2,545.20
% CHANGE									
1986 : 1985	+8.9	+5.7	+8.5	-16.4	+11.4	-14.3	+0.7	+7.1	+1.3

Source: National Machine Tool Builders' Association

TOTAL INDUSTRY ESTIMATE
MACHINE TOOLS - CUTTING AND FORMING
New Orders, Cancellations, Shipments and Backlog
(Millions of Dollars)

DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog	SHIPMENTS Domestic	Foreign	Total
1985	$ 2,262.15	$ 265.95	$ 2,528.10	1,657.55	$ 2,291.45	$ 253.75	$ 2,545.20
1986							
JAN	$ 174.95	$ 15.80	$ 190.75	1,702.45	$ 124.85	$ 21.00	$ 145.85
FEB	$ 198.25	$ 12.15	$ 210.40	1,710.20	$ 185.65	$ 17.00	$ 202.65
MAR	$ 196.80	$ 17.80	$ 214.60	1,676.00	$ 219.30	$ 29.50	$ 248.80
APR	$ 169.25	$ 24.00	$ 193.25	1,659.70	$ 190.80	$ 18.75	$ 209.55
MAY	$ 177.00	$ 29.20	$ 206.20	1,636.35	$ 207.10	$ 22.45	$ 229.55
JUN	$ 190.55	$ 10.60	$ 201.15	1,525.60	$ 289.00	$ 22.90	$ 311.90
JUL	$ 135.30	$ 34.70	$ 170.00	1,505.55	$ 172.50	$ 17.55	$ 190.05
AUG	$ 139.00	$ 15.40	$ 154.40	1,508.60	$ 131.55	$ 19.80	$ 151.35
SEP	$ 113.60	$ 21.65	$ 135.25	1,435.90	$ 181.10	$ 26.85	$ 207.95
OCT	$ 159.40	$ 20.75	$ 180.15	1,373.25	$ 222.80	$ 20.00	$ 242.80
NOV	$ 118.15	$ 14.45	$ 132.60	1,339.05	$ 149.10	$ 17.70	$ 166.80
DEC (P)	$ 108.90	$ 27.15	$ 136.05	1,203.15	$ 233.75	$ 38.20	$ 271.95
12 MONTHS	$ 1,881.15	$ 243.65	$ 2,124.80		$ 2,307.50	$ 271.70	$ 2,579.20

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1985	$ 2,433.30	$ 282.65	$ 2,715.95	$ 171.15	$ 16.70	$ 187.85
1986						
JAN	$ 180.65	$ 17.20	$ 197.85	$ 5.70	$ 1.40	$ 7.10
FEB	$ 214.85	$ 14.65	$ 229.50	$ 16.60	$ 2.50	$ 19.10
MAR	$ 203.35	$ 18.40	$ 221.75	$ 6.55	$ .60	$ 7.15
APR	$ 181.10	$ 24.45	$ 205.55	$ 11.85	$ .45	$ 12.30
MAY	$ 183.50	$ 29.50	$ 213.00	$ 6.50	$ .30	$ 6.80
JUN	$ 215.90	$ 15.20	$ 231.10	$ 25.35	$ 4.60	$ 29.95
JUL	$ 164.25	$ 35.30	$ 199.55	$ 28.95	$ .60	$ 29.55
AUG	$ 149.05	$ 16.50	$ 165.55	$ 10.05	$ 1.10	$ 11.15
SEP	$ 143.40	$ 22.35	$ 165.75	$ 29.80	$ .70	$ 30.50
OCT	$ 167.65	$ 21.90	$ 189.55	$ 8.25	$ 1.15	$ 9.40
NOV	$ 127.30	$ 15.10	$ 142.40	$ 9.15	$ .65	$ 9.80
DEC (P)	$ 132.35	$ 27.90	$ 160.25	$ 23.45	$ .75	$ 24.20
12 MONTHS	$ 2,063.35	$ 258.45	$ 2,321.80	$ 182.20	$ 14.80	$ 197.00

P - Preliminary

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.

INDUSTRY ESTIMATE
METAL CUTTING TYPE MACHINE TOOLS
New Orders, Cancellations, Shipments and Backlog
(Millions of Dollars)

DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog	SHIPMENTS Domestic	Foreign	Total
1985	$ 1,652.15	$ 200.95	$ 1,853.10	1,243.30	$ 1,548.50	$ 193.75	$ 1,742.25
1986							
JAN	$ 124.75	$ 10.25	$ 135.00	1,286.80	$ 74.05	$ 17.45	$ 91.50
FEB	$ 160.65	$ 7.95	$ 168.60	1,331.50	$ 109.50	$ 14.40	$ 123.90
MAR	$ 146.05	$ 13.85	$ 159.90	1,319.85	$ 148.20	$ 23.35	$ 171.55
APR	$ 118.30	$ 17.85	$ 136.15	1,303.90	$ 140.05	$ 12.05	$ 152.10
MAY	$ 118.50	$ 23.20	$ 141.70	1,273.15	$ 153.10	$ 19.35	$ 172.45
JUN	$ 145.65	$ 11.15	$ 156.80	1,185.15	$ 226.70	$ 18.10	$ 244.80
JUL	$ 99.25	$ 29.55	$ 128.80	1,164.85	$ 135.90	$ 13.20	$ 149.10
AUG	$ 108.60	$ 6.50	$ 115.10	1,171.70	$ 92.50	$ 15.75	$ 108.25
SEP	$ 89.95	$ 10.20	$ 100.15	1,110.50	$ 140.80	$ 20.55	$ 161.35
OCT	$ 114.95	$ 15.90	$ 130.85	1,057.85	$ 170.40	$ 13.10	$ 183.50
NOV	$ 75.85	$ 8.10	$ 83.95	1,025.00	$ 104.40	$ 12.40	$ 116.80
DEC (P)	$ 71.85	$ 14.90	$ 86.75	896.05	$ 190.55	$ 25.15	$ 215.70
12 MONTHS	$ 1,374.35	$ 169.40	$ 1,543.75		$ 1,686.15	$ 204.85	$ 1,891.00

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1985	$ 1,769.20	$ 213.45	$ 1,982.65	$ 117.05	$ 12.50	$ 129.55
1986						
JAN	$ 129.30	$ 11.45	$ 140.75	$ 4.55	$ 1.20	$ 5.75
FEB	$ 165.70	$ 9.95	$ 175.65	$ 5.05	$ 2.00	$ 7.05
MAR	$ 150.55	$ 14.30	$ 164.85	$ 4.50	$ .45	$ 4.95
APR	$ 127.40	$ 18.25	$ 145.65	$ 9.10	$ .40	$ 9.50
MAY	$ 122.75	$ 23.45	$ 146.20	$ 4.25	$ .25	$ 4.50
JUN	$ 159.55	$ 11.95	$ 171.50	$ 13.90	$ .80	$ 14.70
JUL	$ 116.50	$ 30.10	$ 146.60	$ 17.25	$ .55	$ 17.80
AUG	$ 114.30	$ 7.55	$ 121.85	$ 5.70	$ 1.05	$ 6.75
SEP	$ 110.20	$ 10.85	$ 121.05	$ 20.25	$ .65	$ 20.90
OCT	$ 121.75	$ 16.60	$ 138.35	$ 6.80	$ .70	$ 7.50
NOV	$ 83.95	$ 8.20	$ 92.15	$ 8.10	$ .10	$ 8.20
DEC (P)	$ 94.80	$ 14.95	$ 109.75	$ 22.95	$ .05	$ 23.00
12 MONTHS	$ 1,496.75	$ 177.60	$ 1,674.35	$ 122.40	$ 8.20	$ 130.60

P - Preliminary

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.

INDUSTRY ESTIMATE
METAL FORMING TYPE MACHINE TOOLS
New Orders, Cancellations, Shipments and Backlog
(Millions of Dollars)

DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog	SHIPMENTS Domestic	Foreign	Total
1985	$ 610.00	$ 65.00	$ 675.00	414.25	$ 742.95	$ 60.00	$ 802.95
1986							
JAN	$ 50.20	$ 5.55	$ 55.75	415.65	$ 50.80	$ 3.55	$ 54.35
FEB	$ 37.60	$ 4.20	$ 41.80	378.70	$ 76.15	$ 2.60	$ 78.75
MAR	$ 50.75	$ 3.95	$ 54.70	356.15	$ 71.10	$ 6.15	$ 77.25
APR	$ 50.95	$ 6.15	$ 57.10	355.80	$ 50.75	$ 6.70	$ 57.45
MAY	$ 58.50	$ 6.00	$ 64.50	363.20	$ 54.00	$ 3.10	$ 57.10
JUN	$ 44.90	$ -.55	$ 44.35	340.45	$ 62.30	$ 4.80	$ 67.10
JUL	$ 36.05	$ 5.15	$ 41.20	340.70	$ 36.60	$ 4.35	$ 40.95
AUG	$ 30.40	$ 8.90	$ 39.30	336.90	$ 39.05	$ 4.05	$ 43.10
SEP	$ 23.65	$ 11.45	$ 35.10	325.40	$ 40.30	$ 6.30	$ 46.60
OCT	$ 44.45	$ 4.85	$ 49.30	315.40	$ 52.40	$ 6.90	$ 59.30
NOV	$ 42.30	$ 6.35	$ 48.65	314.05	$ 44.70	$ 5.30	$ 50.00
DEC (P)	$ 37.05	$ 12.25	$ 49.30	307.10	$ 43.20	$ 13.05	$ 56.25
12 MONTHS	$ 506.80	$ 74.25	$ 581.05		$ 621.35	$ 66.85	$ 688.20

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1985	$ 664.10	$ 69.20	$ 733.30	$ 54.10	$ 4.20	$ 58.30
1986						
JAN	$ 51.35	$ 5.75	$ 57.10	$ 1.15	$ .20	$ 1.35
FEB	$ 49.15	$ 4.70	$ 53.85	$ 11.55	$ .50	$ 12.05
MAR	$ 52.80	$ 4.10	$ 56.90	$ 2.05	$ .15	$ 2.20
APR	$ 53.70	$ 6.20	$ 59.90	$ 2.75	$ .05	$ 2.80
MAY	$ 60.75	$ 6.05	$ 66.80	$ 2.25	$ .05	$ 2.30
JUN	$ 56.35	$ 3.25	$ 59.60	$ 11.45	$ 3.80	$ 15.25
JUL	$ 47.75	$ 5.20	$ 52.95	$ 11.70	$ .05	$ 11.75
AUG	$ 34.75	$ 8.95	$ 43.70	$ 4.35	$ .05	$ 4.40
SEP	$ 33.20	$ 11.50	$ 44.70	$ 9.55	$ .05	$ 9.60
OCT	$ 45.90	$ 5.30	$ 51.20	$ 1.45	$ .45	$ 1.90
NOV	$ 43.35	$ 6.90	$ 50.25	$ 1.05	$ .55	$ 1.60
DEC (P)	$ 37.55	$ 12.95	$ 50.50	$ .50	$ .70	$ 1.20
12 MONTHS	$ 566.60	$ 80.85	$ 647.45	$ 59.80	$ 6.60	$ 66.40

P - Preliminary

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.

QUARTERLY AND YEARLY SHIPMENTS AND NET NEW ORDERS OF MACHINE TOOLS
(Dollar Figures in Thousands)
1981 to Date

	Cutting and Forming			Cutting			Forming		
	SHIPMENTS		NET	SHIPMENTS		NET	SHIPMENTS		NET
DATE	Total	Foreign	NEW ORDERS	Total	Foreign	NEW ORDERS	Total	Foreign	NEW ORDERS
1981 1	$1,288,200	$210,800	$ 920,350	$1,017,850	$155,600	$ 706,600	$ 270,350	$ 55,200	$ 213,750
2	1,367,500	236,350	867,000	1,103,400	185,450	661,200	264,100	50,900	205,800
3	1,133,950	127,950	593,450	920,300	99,950	455,250	213,650	28,000	138,200
4	1,305,950	143,850	564,050	1,062,950	111,050	405,050	243,000	32,800	159,000
Total	$5,095,600	$718,950	$2,944,850	$4,104,500	$552,050	$2,228,100	$ 991,100	$ 166,900	$ 716,750
1982 1	$1,154,200	$112,650	$ 506,800	$ 933,050	$ 71,750	$ 384,850	$ 221,150	$ 40,900	$ 121,950
2	1,008,450	96,600	382,650	810,650	75,350	274,750	197,800	21,250	107,900
3	783,400	101,200	279,950	640,450	89,750	183,450	142,950	17,450	96,500
4	658,350	89,600	328,350	510,600	59,300	221,400	147,750	30,300	106,950
Total	$3,604,400	$406,050	$1,497,750	$2,894,750	$296,150	$1,064,450	$ 709,650	$ 109,900	$ 433,300
1983 1	$ 487,450	$ 56,650	$ 314,850	$ 370,600	$ 40,800	$ 224,100	$ 116,850	$ 15,850	$ 90,750
2	469,650	58,300	399,100	357,500	49,300	269,300	112,150	9,000	129,800
3	357,050	42,900	468,150	252,350	32,200	322,200	104,700	10,700	145,950
4	530,900	57,150	514,050	391,050	49,600	336,050	139,850	7,550	178,000
Total	$1,845,050	$215,000	$1,696,150	$1,371,500	$171,900	$1,151,650	$ 473,550	$ 43,100	$ 544,500
1984 1	$ 449,500	$ 40,550	$ 600,450	$ 298,100	$ 25,100	$ 412,750	$ 151,400	$ 15,450	$ 187,700
2	572,300	50,700	764,400	401,800	28,250	499,200	170,500	22,450	265,200
3	568,850	41,850	800,200	401,550	24,300	493,000	167,300	17,550	307,200
4	695,200	60,150	750,750	505,050	45,000	510,850	190,150	15,150	239,900
Total	$2,285,850	$193,250	$2,915,800	$1,606,500	$122,650	$1,915,800	$ 679,350	$ 70,600	$1,000,000
1985 1	$ 531,700	$ 48,950	$ 728,250	$ 357,050	$ 37,150	$ 528,500	$ 174,650	$ 11,800	$ 199,750
2	586,050	37,700	641,400	385,000	27,450	475,700	201,050	10,250	165,700
3	654,650	58,250	558,450	443,050	35,950	404,750	211,600	22,300	153,700
4	772,800	108,850	600,000	557,150	93,200	444,150	215,650	15,650	155,850
Total	$2,545,200	$253,750	$2,528,100	$1,742,250	$193,750	$1,853,100	$ 802,950	$ 60,000	$ 675,000
1986 1	$ 597,300	$ 67,500	$ 615,750	$ 386,950	$ 55,200	$ 463,500	$ 210,350	$ 12,300	$ 152,250
2	751,000	64,100	600,600	569,350	49,500	434,650	181,650	14,600	165,950
3	549,350	64,200	459,650	418,700	49,500	344,050	130,650	14,700	115,600
4P	681,550	75,900	448,800	516,000	50,650	301,550	165,550	25,250	147,250
Total	$2,579,200	$271,700	$2,124,800	$1,891,000	$204,850	$1,543,750	$ 688,200	$ 66,850	$ 581,050

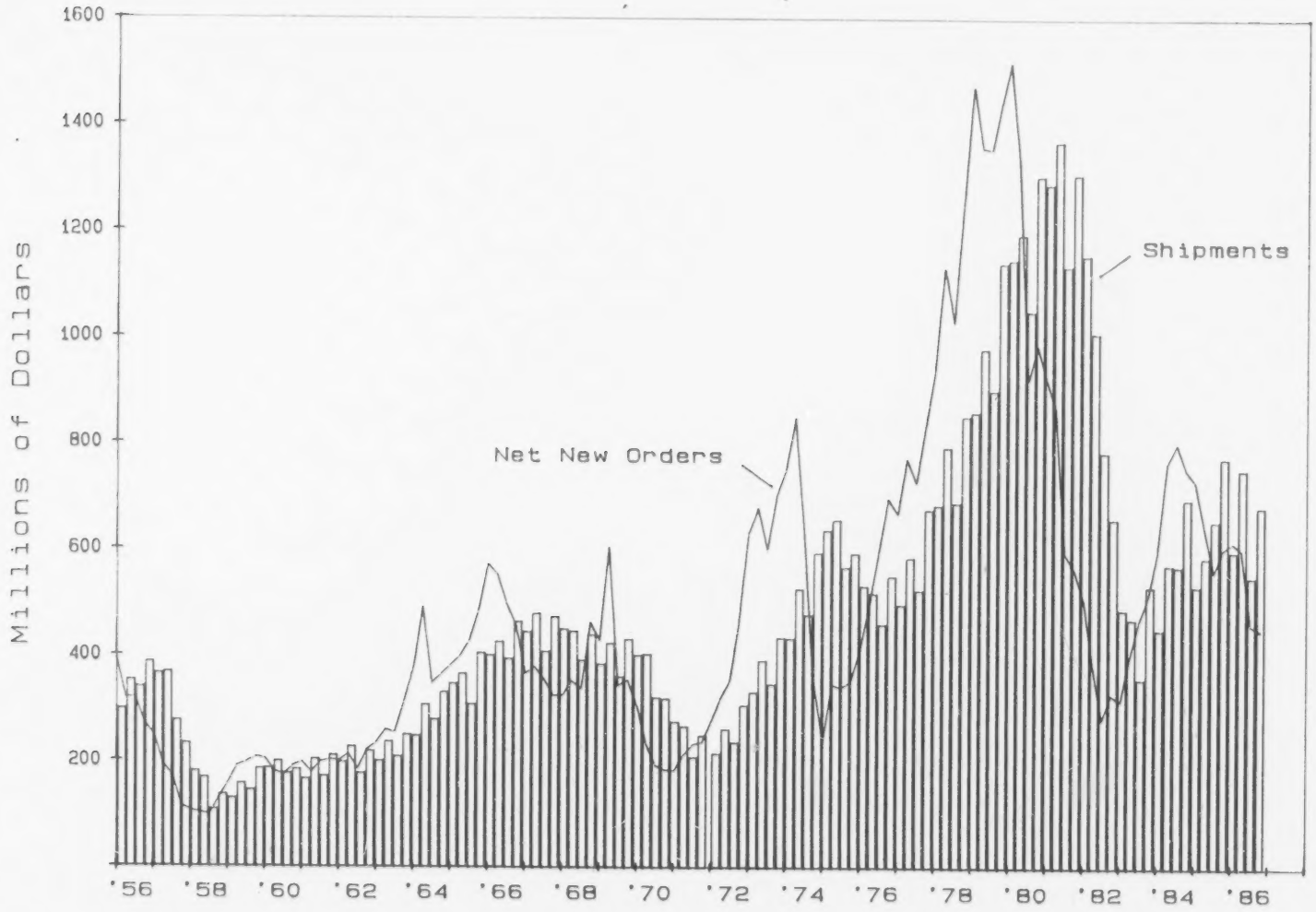
P - Preliminary

NOTE: These data series are available back to 1956. To obtain a copy of the tables for 1956 through 1986, contact: NMTBA Statistical Department, 7901 Westpark Drive, McLean, Virginia 22102 4269. Phone: 703:893 2900

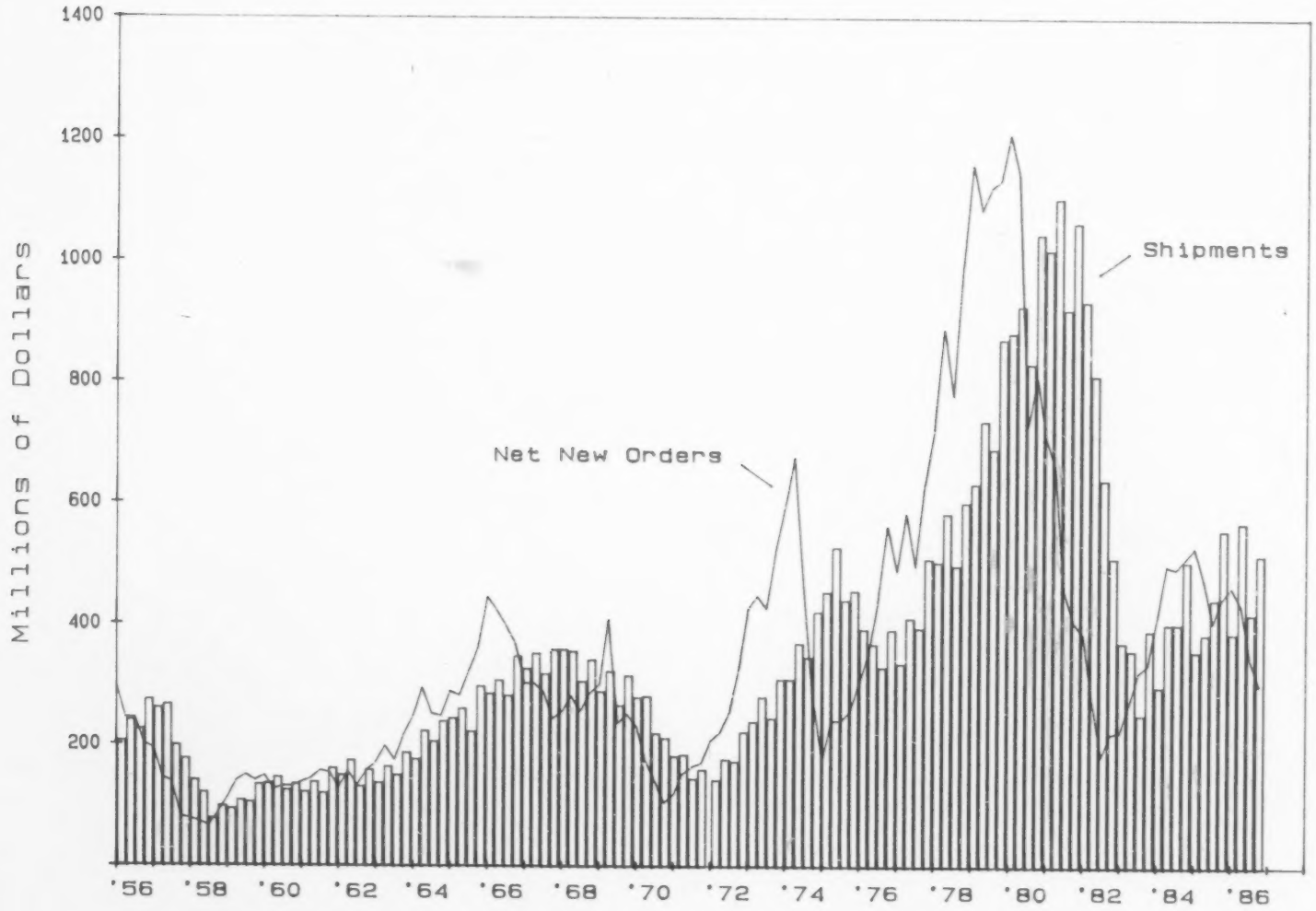
Source: National Machine Tool Builders' Association

January 26, 1987

Total Machine Tools
Shipments (Bar) and Net New Orders (Line)
Quarterly, 1956: 1 to 1986: 4



Metal Cutting Machine Tools
Shipments (Bar) and Net New Orders (Line)
Quarterly, 1956: 1 to 1986: 4



Metal Forming Machine Tools
Shipments (Bar) and Net New Orders (Line)
Quarterly, 1956: 1 to 1986: 4